

THIS YEAR, WE HAVE ADDED EVEN MORE CHALLENGING TARGETS FOR THE NEXT FEW YEARS TO DRIVE PERFORMANCE FURTHER.

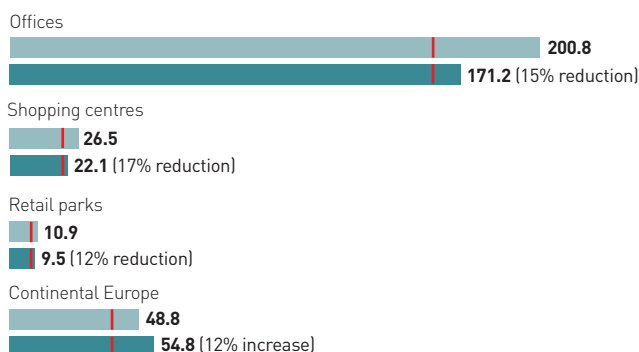
All facts and figures in this Report cover the period from 1 April 2009 until 31 March 2010. The data and performance targets have been independently assured by Bureau Veritas, so you can be confident that we are reporting accurately – and on those issues most material to our business and our stakeholders. For our full Corporate Responsibility Report: britishland.com/crReport2010



NATURAL RESOURCES

TO REDUCE MANAGED ENERGY USE BY 20% PER M² FOR EACH PROPERTY TYPE BY 2012, COMPARED TO 2009

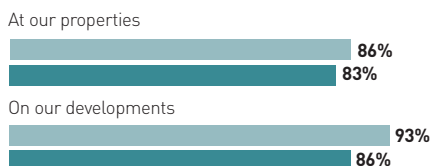
Energy intensity per m² (kWh) ■ 2009 ■ 2010 | 2012 target



British Land controlled energy use across our entire managed portfolio, comprising small power and lighting, as well as heating and cooling from the central plant.

TO SEND ZERO MANAGED WASTE TO LANDFILL FROM ALL OUR PROPERTIES AND DEVELOPMENTS BY 2012

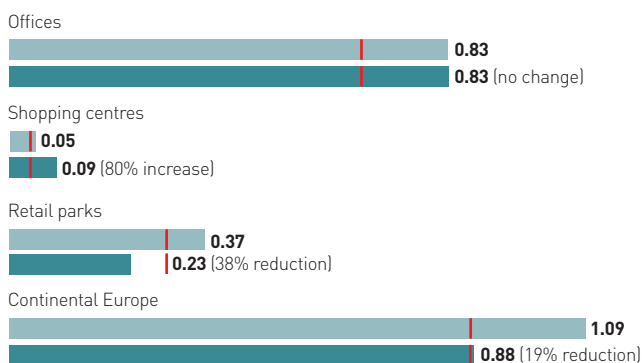
Waste diverted from landfill (%) ■ 2009 ■ 2010



We more than doubled the number of properties managing and reporting waste, as well as increasing the proportion of waste recycled. The reduction in waste diverted from landfill was largely due to lower incineration rates, particularly at new properties. We did not undertake any demolition projects; this affected the proportion of development waste diverted from landfill as the demolition phase typically offers the biggest opportunities for re-use. We will continue working with our development and management teams to divert waste from landfill. 2009 figures for properties and developments were restated to reflect improvements in data accuracy.

TO REDUCE MANAGED WATER USE BY 20% PER M² FOR EACH PROPERTY TYPE BY 2015, COMPARED TO 2009

Water use per m² (cubic metres) ■ 2009 ■ 2010 | 2015 target



Water use across British Land's office portfolio and the common parts of British Land's retail portfolio. Water intensity increased at our shopping centres due to the inclusion of new properties that do not benefit from the rainwater harvesting and borehole water systems present at some of our existing properties. We will focus on reducing water use at these new properties.

TO ACHIEVE PLANNING CONSENT FOR A ZERO CARBON COMMERCIAL BUILDING BY 2015

More carbon efficient design than current standards (%) ■ 2009 ■ 2010



Current standards are Building Regulations Part L2A 2006.

HIGHLIGHTS

12%

LESS ENERGY USE across our like-for-like managed portfolio, saving 11.1 million kWh and £700,000 for us and our occupiers.

BREEAM

EXCELLENT ratings for all of our new office developments.

11,000

TONNES OF WASTE RECYCLED or re-used at our properties and developments, equivalent to £445,000 in landfill taxes.

13%

LESS WATER USE across our like-for-like managed portfolio, saving 54.7 million litres of water and £70,000 for us and our occupiers.

23%

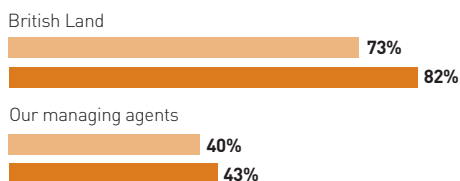
RECYCLED CONTENT across our new developments by value.



CUSTOMERS

TO ACHIEVE 80% CUSTOMER SATISFACTION WITH US AND OUR MANAGING AGENTS BY 2013

UK customers rating as good or excellent (%) ■ 2007 ■ 2009



Based on independent surveys carried out with 50 occupiers in 2009 and 54 occupiers in 2007.

HIGHLIGHTS

LANDLORD OF THE YEAR 2009 and Best Service Charge Provider, as voted by UK retailers.

£3.5m

SAVINGS for occupiers on service charges, with average savings of 7% per m².

TOP QUARTILE for customer service in the RealService Best Practice Index 2009.

RESOURCE REDUCTION PARTNERSHIPS

with 30% of occupiers across our multi-let managed offices.

COMMUNITIES

TO SET A 2015 TARGET FOR LOCAL SATISFACTION WITH BRITISH LAND AS A DEVELOPER.

Next year, we will establish a methodology to measure local satisfaction with British Land as a developer.

HIGHLIGHTS

£717,000

COMMUNITY INVESTMENT across our portfolio through cash contributions, in-kind donations and time spent supporting community projects.

70,000

YOUNG PEOPLE participated in projects we supported, including a cricket league, chess tournaments and creative projects.

£490,000

FUNDRAISING thanks to the efforts and generosity of our staff, suppliers, occupiers and shoppers.

LORD MAYOR'S DRAGON AWARDS 2009 for British Land and Broadgate Estates.

STAFF AND SUPPLIERS

TO SET A 2015 TARGET FOR STAFF SATISFACTION WITH BRITISH LAND AS AN EMPLOYER.

Next year, we will carry out a survey to measure staff satisfaction.

HIGHLIGHTS

360°

FEEDBACK process established for all our Head Office staff.

2,944

TRAINING HOURS for Broadgate Estates staff, equivalent to 18 hours per person.

PROMPT PAYMENT – we signed up to the Government's new Prompt Payment Code.

ALL GOLD AWARDS or better for service charge management at our properties audited by the Property Managers Association.

For our progress against the long-term targets we set in 2007, visit TARGETS PAGE 08

PROGRESS AGAINST ANNUAL TARGETS

Progress statements were provided by external consultants Arup and all 32 performance-based targets were independently reviewed by Bureau Veritas.



ENERGY USE		
Target	Progress statement	Progress
Identify initiatives in building-specific environmental plans and reduce energy use by 5% on an annual like-for-like basis across our managed portfolio.	We reduced like-for-like energy use by 12% across our managed portfolio.	100%
30% of all occupiers in multi-let office buildings to sign up to Carbon Reduction Memorandum of Understanding or equivalent document.	30% of occupiers in our multi-let office buildings signed up to carbon reduction agreements.	100%
Review longer-term targets to verify whether these remain achievable. Set out actions required to achieve the revised longer-term targets.	We reviewed our longer-term targets and set eight new medium-term targets to drive performance.	100%
Raise awareness of energy initiatives with retailers and identify target retailers to increase engagement.	We held a sustainability workshop with retailers through the Property Managers Association. Next year, our property management teams will work with individual retailers across our portfolio.	50%
Offset carbon emissions within the British Land direct carbon footprint using appropriately certified scheme.	We offset 20,769 tonnes of carbon emissions through the First Climate project, verified under the Voluntary Carbon Standard.	100%

WASTE MANAGEMENT		
Target	Progress statement	Progress
Recycle 50% of managed retail waste across our retail portfolio.	We recycled 39% of managed retail waste.	79%
Dispose of no more than 20% of managed retail waste to landfill across our retail portfolio.	We diverted 74% of managed retail waste from landfill.	77%
Recycle 60% of waste across our managed office portfolio.	We recycled 50% of managed office waste.	84%
Dispose zero waste to landfill across our managed office portfolio.	We diverted 99.5% of managed office waste from landfill.	99.5%
Recycle 90% of fit-out waste for common parts fit-out projects (covered by Construction, Design and Management Regulations) across our entire portfolio.	We recycled 97% of fit-out waste for major fit-out projects in common parts.	100%
50% of office fit-out projects (covered by Construction, Design and Management Regulations) undertaken by occupiers to adopt the British Land Fit-out Waste Guidelines.	All five major office fit-out projects undertaken by occupiers adopted our Fit-out Waste Guidelines.	100%
All developments to divert a minimum of 95% of demolition and strip-out material waste from landfill, and a minimum of 85% of construction waste.	We diverted 86% of construction waste from landfill. There were no demolition projects.	100%
Work with our construction supply chain to achieve zero demolition waste to landfill by 2010. Develop absolute waste reduction targets for future development projects. Work with our construction supply chain to reduce overall waste generated on development sites.	We worked with our development supply chain to review ways to achieve zero demolition waste to landfill and to reduce overall waste. There is more work to be done to establish robust waste reduction targets.	67%

PROGRESS AGAINST ANNUAL TARGETS







WATER USE, BIODIVERSITY AND TRAVEL		
Target	Progress statement	Progress
Identify initiatives in building-specific environmental plans and reduce total water consumption by 2% on an annual like-for-like basis within our managed portfolio.	We reduced like-for-like water use by 13% across our managed portfolio.	100%
Measure the proportion of water consumed from non-mains sources and set a target for the future.	We identified that 12% of our properties sourced non-mains water, primarily from rainwater harvesting or a borehole. We are installing meters so that we can achieve our aim of monitoring usage and setting targets for the proportion of water from non-mains sources.	10%
15% of managed assets in the portfolio to have Biodiversity Action Plans.	31% of our managed assets were covered by Biodiversity Action Plans.	100%
25% of managed assets in the portfolio to have Green Travel Plans.	19% of our managed assets were covered by Green Travel Plans.	76%
All developments with a construction cost of over £5 million to result in a net improvement in site biodiversity.	Two of our completed major developments achieved an improvement in site biodiversity, with the remaining four all designed to do so.	100%
Establish intensity targets for water use to benchmark performance by sector against industry standards.	We are reviewing CIRIA guidance to set intensity targets for water use by property type.	30%
SUSTAINABLE DEVELOPMENT		
Target	Progress statement	Progress
All new office developments to achieve a BREEAM Excellent rating. All office refurbishments with a construction cost over £3 million to achieve a minimum BREEAM Very Good Rating. New retail construction with a construction cost over £3 million to support the use of BREEAM Retail in areas we can control.	All of our new office developments achieved BREEAM Excellent ratings, or are designed to do so. Our two planned major office refurbishments are targeting Excellent ratings. Our one new major retail development is also targeting BREEAM Excellent.	100%
All new residential developments gaining planning permission after 2009 to achieve a minimum Code for Sustainable Homes Level Four.	Our target to achieve Code for Sustainable Homes Level Four was not applicable as no new residential developments commenced design this year or gained planning consent after 2009.	N/A
All new office developments to be constructed to a standard at least 10% better than the relevant Part L2A Building Regulations. All office refurbishments to achieve an Energy Performance Certificate (EPC) rating of no more than 60.	Our developments are designed to be 27% more energy efficient on average than current regulations, with our new office developments 30% more energy efficient. Two of our three refurbishments are designed to achieve Energy Performance Certificate ratings better than 60.	84%
At least 25% of total material by value in new buildings to contain re-used and recycled content.	23% of materials in our new developments by value comprised recycled content.	92%
All London office developments to score an average of 36 under the Considerate Constructors Scheme (CCS).	None of our London office developments undertook CCS audits and so our target CCS score was not applicable.	N/A
Measure the carbon footprint of our on-site development activity and report on our findings.	We measured the carbon footprint of our on-site development activity at Ropemaker Place.	100%
Report on partnering with our contractors to address the management of environmental impacts arising from the supply chain for our developments.	We partnered with Bovis Lend Lease to review the environmental impacts arising from our development supply chain.	100%






PROGRESS AGAINST ANNUAL TARGETS



CUSTOMERS

Target	Progress statement	Progress
Achieve 80% average occupier satisfaction on post occupancy surveys.	91% average occupier satisfaction on post occupancy surveys at 201 Bishopsgate and The Broadgate Tower.	 100%
Achieve 85% recommendation rating from occupiers on post occupancy surveys.	100% recommendation rating from occupiers on post occupancy surveys at 201 Bishopsgate and The Broadgate Tower.	 100%
Exceed satisfaction ratings for lease flexibility and lease assignments in the 2009 Occupier Satisfaction Index (OSI).	75% occupier satisfaction ratings for lease flexibility and 57% for lease assignments, significantly exceeding industry averages of 38% and 25% respectively.	 100%
Achieve 55% occupier retention across our entire portfolio where the occupier had an unfettered option to renew.	We maintained our high occupancy rates, with 43% retention of occupiers reaching break clauses.	 77%

COMMUNITY

Target	Progress statement	Progress
Assets with a staff presence (at least 30% full-time equivalent) to implement an employment and training initiative for the local community.	71% of major staffed assets implemented an employment and training initiative for the local community.	 71%
Head Office to donate more than £350,000 to support good community causes.	Head Office made cash contributions of £506,000 to support good community causes.	 100%
All assets with a staff presence (at least 30% full-time equivalent) to engage in local fundraising initiatives raising more than £10,000.	57% of major staffed assets engaged in local fundraising initiatives raising more than £10,000.	 57%
Undertake pre-application stakeholder consultation on all new developments.	Pre-application stakeholder consultation undertaken on all four new developments.	 100%
Establish more systematic recording and reporting for new developments on who has been engaged with, how, and the outcomes of that engagement.	Sustainability Brief template updated to include more systematic recording and reporting on stakeholder engagement.	 100%

PROGRESS AGAINST ANNUAL TARGETS



SUPPLIERS

Target	Progress statement	Progress
Reduce 2009/10 service charge costs by 5% per m ² across the entire portfolio, compared to 2008/09.	Service charge costs reduced by 7% per m ² on average across our entire portfolio.	100%
Achieve 95% compliance of the Service Charge Code. Compliance defined by the RealService industry benchmark.	98% compliance with the Service Charge Code, as defined by the RealService industry benchmark.	100%
All Property Managers Association (PMA) service charge audits to achieve Gold.	All seven Property Managers Association service charge audits achieved Gold or better, with Broughton Shopping Park achieving the UK's first Platinum Award.	100%
Achieve 90% 'green' status on health and safety for the managed portfolio.	98% of properties achieved our health and safety management standards.	100%
Reportable accident frequency rate not to exceed 0.25 and lost-day accident frequency rate not to exceed 0.20.	Reportable accident frequency rate of 0.26 per 100,000 hours worked on our development sites, better than 0.30 last year but not meeting our 0.25 target. Lost-day accident frequency rate of 0.47.	48%
All managing agents to comply with the British Land Service Charge Procurement Policy.	We believe that our agents complied with our Service Charge Procurement Policy but did not formally measure this. We will address this going forward.	0%

STAFF

Target	Progress statement	Progress
25% of all Head Office staff to participate in community volunteering.	27% of all Head Office staff participated in community volunteering.	100%
Reduce annual electricity consumption at Head Office per full-time equivalent by 5%, compared to 2008/09.	11% reduction in Head Office electricity use per person.	100%
Reduce waste generated at Head Office per full-time equivalent by 5%, compared to 2008/09.	No reduction in Head Office waste per person. We will increase our focus on waste reduction.	0%
Recycle 65% of managed waste at our Head Office and send zero waste to landfill.	75% of Head Office waste recycled. 98% diverted from landfill.	99%
Reduce annual staff London taxi travel by 5%, measured as a proportion of total London travel compared to 2008/09.	Staff London taxi travel increased to 16% of all business trips from 15%. We will look at further ways to address this.	0%
Implement staff Corporate Responsibility Engagement and Communication Plan.	Established Staff Environmental Working Group and quarterly corporate responsibility updates.	100%

TARGETS FOR NEXT YEAR

ENERGY USE

- Reduce British Land controlled energy intensity per m² by 5% for each property type.
- Reduce total building energy intensity per m² by 3% across our office portfolio.
- Pilot a system to collect energy data from occupiers where we do not provide the supply.
- Provide occupiers with detailed energy statements for their buildings, where data is available.

WASTE MANAGEMENT

- Recycle 55% of managed waste.
- Divert 90% of managed waste from landfill.
- Divert 97% of demolition and strip-out waste from landfill.
- Divert 90% of construction and fit-out waste from landfill.
- Ask all occupiers to apply our guidelines to their fit-out projects, targeting 50% acceptance.
- 25% of materials by value in new buildings to comprise recycled content.

WATER

- Reduce total mains water use by 2% per m².

SUSTAINABLE DEVELOPMENT

- All major office developments and refurbishments to achieve BREEAM Excellent ratings.
- All major retail developments to support BREEAM Very Good ratings in areas we control.
- All residential developments to achieve Code for Sustainable Homes Level Four or Ecohomes Excellent ratings.
- Apply our Sustainability Brief, or an equivalent, to developments conducted through joint ventures or partnerships, and all developments with a construction cost over £500,000.
- Update the Sustainability Brief for Developments.

BIODIVERSITY

- Invest £30,000 in initiatives to improve biodiversity.
- All major developments to result in a net improvement in site biodiversity.

TRAVEL

- Provide guidance to staff and suppliers on appropriate modes of business travel.

CUSTOMERS

- 90% of UK customers to rate us as an owner as good or excellent.
- 60% of UK customers to rate our managing agents as good or excellent.
- 70% of all customers surveyed to rate our understanding of their needs as good or excellent.

COMMUNITIES

- Make cash contributions of £650,000 to support good community causes.
- All office estates and retail properties with on-site management to engage in at least two community initiatives.
- All properties to support local fundraising, with each shopping centre raising more than £50,000 and all office estates and shopping parks with on-site management raising over £20,000 each.
- Evaluate stakeholder and community satisfaction with at least 50% of our significant development activity.

STAFF

- Undertake an independent staff survey and publish the results.
- 25% of all Head Office staff to participate in community volunteering.
- Reduce Head Office electricity use by 5% per person (full-time equivalent).
- Reduce Head Office managed waste by 5% per person (full-time equivalent).
- Recycle 75% of Head Office managed waste.

SUPPLIERS

- Achieve 100% compliance on the Service Charge Code, as defined by the RealService benchmark.
- All Property Managers Association retail service charge audits to achieve Gold or better, with each managing agent achieving at least one Platinum.
- Participate in the Corporate Health and Safety Performance Index.
- Reportable accident rate on our development sites not to exceed 0.25 per 100,000 hours worked, and lost-day accident rate not to exceed 0.20.

IN 2007, WE SET A SERIES OF LONG-TERM TARGETS ON A NUMBER OF KEY ISSUES. THESE HAVE BEEN SUPERSEDED BY THE CHALLENGING MEDIUM-TERM TARGETS WE SET THIS YEAR TO DRIVE PERFORMANCE FURTHER. HOWEVER, IN THE INTERESTS OF TRANSPARENCY WE CONTINUE TO REPORT AGAINST THESE ORIGINAL TARGETS.



ENERGY USE

Reduce energy use at our like-for-like properties by 20% by 2012, compared to 2004/05.

We reduced like-for-like energy use by 17% across our managed portfolio, compared to 2004/05. This comprised 46% of total British Land controlled energy use.

WATER USE

Reduce water use at our like-for-like portfolio by 20% by 2015, compared to 2004/05.

We reduced like-for-like water use by 14% across our managed portfolio, compared to 2004/05. This comprised 35% of our total water use this year.

BIODIVERSITY

Implement biodiversity action plans, where possible, for all current properties by 2012.

31% of our managed assets were covered by Biodiversity Action Plans this year.

CARBON

Become carbon neutral across landlord controlled areas of our portfolio from 2008/09.

For the second year, our carbon neutral commitment covered energy use across the common parts of our entire multi-let managed portfolio.